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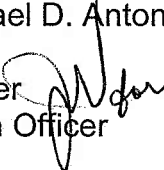
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October 29, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina, Chair Pro Tem
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: Jon W. Fullinwider 
Chief Information Officer

Subject: **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
(HIPAA) STATUS REPORT**

This is to provide you with a report on the County's status in complying with the HIPAA Transactions and Code Sets (TCS) Rules following the October 16, 2003 compliance deadline and a current status on the County's efforts to meet the April 20, 2005 compliance deadline for the HIPAA Security Rules. Attachment A (Summary of HIPAA Transactions and Code Sets Status) provides a transaction-by-transaction status of the information summarized below.

Electronic TCS

State of California Readiness

The State of California continues to plan for a staged implementation of the HIPAA transactions over a period of many months and is not expected to be HIPAA compliant for some transactions within the 2004 calendar year. Neither the Department of Health Services (DHS) nor the Department of Mental Health (DMH) can complete testing and execute HIPAA compliant Medi-Cal transactions in advance of the State and its Fiscal Intermediary (FI). The State will allow providers to process selected non-compliant transactions until advised otherwise.

Medi-Cal is in the final stages of its project to implement the fully HIPAA-compliant eligibility transaction (270/271) and they have scheduled training sessions for late September 2004. The County will be represented at these sessions. The State Departments of Mental Health and Alcohol and Drug Services have been conducting near-compliant remittance advice

transactions (835) with counties for several months. They have also been working with Medi-Cal to complete the work on a fully compliant 835 for Short Doyle. Steps to include the federal funds participation amounts in the transaction are scheduled for completion by March 2005. Full compliance for the 835 transaction is scheduled for implementation before March 2006.

Both DHS and DMH are in regular contact with their State counterparts and maintain current knowledge of State status and activities.

Federal HIPAA TCS Compliance Enforcement

The Center for Medicare and Medicaid Services (CMS) has not revised its enforcement policy since their notice "Guidance on Compliance with HIPAA Transactions and Code Sets" was posted on July 24, 2003. The document outlined CMS' complaint-driven enforcement strategy and a "Good Faith Policy" that allowed covered entities the opportunity to correct non-compliance in the event of a complaint and to take into account an entity's good-faith efforts to achieve compliance.

County of Los Angeles Readiness – Department of Health Services (DHS)

DHS TCS compliance should be viewed based on its three separate lines of business: (1) Hospitals and Clinics, (2) Public Health, and (3) the Office of Managed Care (OMC).

Hospitals and Clinics

DHS hospitals and clinics process the vast majority of their transactions through Accordis, a clearinghouse. Accordis is submitting Medicare inpatient and outpatient 837 claims using approved HIPAA compliant Transaction Code Sets (TCS) information reflective of all-inclusive rate revenue codes.

Accordis is submitting HIPAA compliant Medi-Cal inpatient claims to the State using the appropriate HIPAA compliant UB-92 revenue codes based on agreements reached with the State. The State is not expected to process HIPAA compliant Medi-Cal outpatient 837 claims in calendar year 2004. The County submitted a proposal to the State on December 20, 2002 for handling these outpatient claims and the State has not yet responded to this issue.

Accordis submitted a test file to OMC on September 13, 2004 that contained August 2004 dates of service. OMC reviewed the file and requested that Accordis make some changes. The changes were made and beginning October 1, 2004, Accordis began submitting weekly transaction file information to OMC. The file contained transaction information with August 1, 2004 dates of service.

Since DHS will not have all required data available to complete the 837 transaction, the transaction file submitted by Accordis will not be complete. DHS hospitals will be implementing the second phase of this project to increase the data captured and submitted to OMC via the 837 encounter transaction.

Public Health

There has been no change since the last report. Public Health is using a combination of an existing clearinghouse relationship and custom programming to achieve HIPAA TCS compliance. Full compliance is constrained because the State does not anticipate accepting HIPAA compliant outpatient Medi-Cal claims transactions from Public Health clinics this calendar year. The County and the State will continue to work through testing issues necessary to assure a reliable transition to HIPAA compliant transactions and will continue to process the non-compliant claims during this transition period.

Alcohol and Drug Program Administration (ADPA) and California Children's Services (CCS) are submitting HIPAA compliant transactions to their corresponding State agencies. ADPA began exclusively submitting HIPAA compliant 837 transactions to the State in May 2004.

Office of Managed Care (OMC)

As identified above, DHS continues to make progress towards providing HIPAA compliant encounter data to OMC from the DHS hospitals. As a health plan, OMC is required to have the capability to process the entire suite of HIPAA TCS, including some they have never used in the past and for which they have no current trading partner. Under the enforcement guidelines issued by CMS, OMC can demonstrate a good faith effort and progress towards compliance because they have certified the conformity of their transactions through a third-party certification agency.

County of Los Angeles Readiness – Department of Mental Health (DMH) and Kirby Center Readiness

DMH has submitted routine production HIPAA compliant health care claims (837) transactions to the State for February through August 2004 Short-Doyle outpatient services and received corresponding HIPAA-compliant remittance advice files from the State.

The claims files for February and March 2004 inpatient services were sent to the State, but there were a high number of rejected claims because of a disconnect between the dates of service and the discharge date. Sierra Systems Group, Inc. (Sierra) is working with the State to resolve the issue and resubmit the files.

Effective July 1, 2004, DMH is submitting only HIPAA-compliant Medicare claims through National Heritage Insurance Company (NHIC), the Fiscal Intermediary for Medicare, for services delivered after June 1, 2004. The first such compliant submission was on October 15, 2004.

DMH has nine categories of trading partners, listed in the table below. The table indicates the number of partners in each category and the approximate number of partners in each category that are actively using the IS. There are two methods of claim submission into the IS: 1) Electronic Data Interchange (EDI) which is the electronic submission of a group of claims, and 2) Direct Data Entry (DDE) which is the manual entry of individual claims using a Web browser.

Trading Partner Category	Number in Category	Number Currently Using the IS
Fee-for-Service Inpatient	26	26 DDE
FFS Network Providers	569	149 DDE 18 EDI (6 billers serving multiple providers)
Directly Operated DMH Clinics	65	65
Short-Doyle Contract Providers	358	334 DDE (24 in November)
Short-Doyle Contract Hospitals	2	2 DDE
LA County Hospitals	3	1 DDE
State Hospitals	4	4 DDE (no claiming activity, DMH staff enter episode information only for utilization management purposes)
State Department of Mental Health	1	1 – Production use initiated June 21, 2004.
Institute for Mental Disorders (IMD)	11	11 DDE
US Government (Medicare)	1	0 - Certification received, production use began October 13, 2004
Retail Pharmacy	111	0 (See text below)

All directly operated DMH clinics and the Kirby Center of the Probation Department are using the IS in production. Short-Doyle contract providers in Service Areas 4 and 6 went live on the IS on September 8, 2004. Short-Doyle contract providers in Service Areas 5, 7 and 8 went live on October 8, 2004. All contract providers, with the exception of Pacific Clinics, will be transitioned off the legacy Mental Health Management Information System (MHMIS) and onto the IS by October 31, 2004.

Pacific Clinics was attempting to become certified with DMH to use a broader range of EDI transactions than any other contract provider so far, but they have since scaled their immediate ambitions back to the 837P (Health Care Claim – Professional Services) and the

270 (Eligibility Check). They have successfully tested both transactions, but there has been some instability in their test files that has prevented them from completing testing. If Pacific Clinics can submit consistently successful test files, they could complete EDI testing for the 837P and the 270 transactions by October 22, 2004. Pacific Clinics had requested additional time to complete their ambitious plan to use more EDI transactions, but at this time it appears that they will begin using a combination of EDI and DDE by November 6, 2004.

Until the remaining FFS Network Providers move onto the IS, DMH, ISD/ITS and Sierra resources are required to support two different but parallel electronic billing processes. With nearly all Short-Doyle providers transitioned onto the IS, DMH will be making a renewed effort to accelerate testing and adoption of the IS by FFS Network Providers and billing services.

There were 68 billers or providers actively submitting electronic claims to the old EDS State system before it was transferred to ISD/ITS support. DMH is encouraging all that remain of this group of providers to begin testing and implementing HIPAA compliant claims processing as soon as possible. There are approximately 12 FFS Network Providers or FFS Billers currently in the EDI test process, 10 are now certified, and 6 are in production. DMH has taken steps to improve the feedback to EDI test participants in an effort to help them achieve certification, but EDI remains technically and operationally challenging, especially for those without prior EDI experience.

Use of the IS for mental health clients receiving care at DHS hospitals is so far limited to Harbor-UCLA Medical Center. While there has been good progress in resolving outstanding issues, there has not yet been sufficient progress to support a decision to bring the two remaining DHS hospitals onto the IS. The issues are difficult and not amenable to quick fixes. DMH and DHS are working together to assure a successful deployment as soon as it can be done without risk to DHS or DMH revenue and with minimal disruption of hospital operations.

The HIPAA compliant National Council for Prescription Drug Program (NCPDP) pharmacy claim transaction is available for production use, but no pharmacy providers are using it in production at this time. DMH and Sierra are working on specifying an approach to IS pharmacy functionality that will make the DMH process more like that which retail pharmacies use with other payers. DMH will prepare a plan for addressing retail pharmacy functionality within the IS by October 31, 2004.

The IS is ready to exchange ANSI X.12 270/271 eligibility transactions with Medi-Cal. In late September, DMH and Sierra attended the training events scheduled by Medi-Cal to inform all providers on the specifications for the 270/271 transaction.

My office continues to monitor the IS implementation and will apprise your Board of progress.

Electronic TCS Summary

DHS and DMH are in continuing contact with the State to ensure that both organizations keep pace with the State's implementation. My office is continuing to monitor progress at the State level and the progress of both DHS and DMH within the County. I will notify your Board of any changes to the State HIPAA contingency plan that have the potential to impact County health or mental health operations.

While DHS' outpatient Medi-Cal claims will remain non-compliant until the State brings its processing into compliance, DHS hospitals are continuing to process HIPAA TCS-compliant Medicare claims and inpatient Medi-Cal claims.

OMC and DHS hospitals have resolved the issues related to the requirement for the submission of HIPAA compliant encounter records from the hospitals. They anticipate beginning production submission of encounter data from hospitals by the end of the month.

DMH is continuing to process HIPAA-compliant Medi-Cal claims files and has cleared the claims backlog caused by the long State certification process. The remaining areas of focus for the IS deployment are FFS providers, DHS hospitals, and pharmacy functionality.

HIPAA Security Rules Compliance – Status

The HIPAA Security Rules require that a risk analysis be conducted for all of the covered entities in the County. The office of the CISO in conjunction with the Security Task Team has developed a Statement of Work (SOW) to accomplish this task using an ITSSMA approved vendor. The SOW was released through ITSSMA on September 29, 2004, with vendor responses required by October 20, 2004. Three vendors submitted bids. The bids are being evaluated based on criteria developed for the solicitation. The variance between the lowest and highest bid was more than \$500,000. The evaluators are completing a thorough review to determine the qualified bidder with the lowest cost. Selection will be completed and the assessment should begin in early November.

A major effort for the Covered Entities is to develop policies and procedures that conform to HIPAA Security Rules requirements. The departments are in the process of developing those documents or modifying existing policies. Outside counsel has reviewed the format for DHS policies and they in turn have shared the results as templates to the other covered entities. Many of the policies for the Kirby Center were supplied by DMH since they also provide the systems that process Electronic Protected Health Information (EPHI). The Sheriff has a relatively small number of staff involved with the HIPAA requirement, so they also will have a reduced need for policy development.

The covered entities also have a need to update existing Business Associate (BA) Agreements to add in the security rules compliance component. They are in the process of modifying existing privacy agreements to address security rules requirements. This is also true of MOU agreements between the covered entities and those departments that may have access to EPHI in their efforts to support the covered entities.

The covered entities are conducting security awareness training for those employees that have access to EPHI. While the majority of training is computer based and uses the same web based system that was used to conduct privacy training, that training is being augmented with classroom style training for those employees that do not have ready access to their own County provided computer. That process is being augmented with material provided by our outsourced HIPAA training company that has been distributed to the covered entities. We have ordered a set of pamphlets that can be used to provide additional security and privacy training. This action was delayed one month to allow for customization and inclusion of the County logo.

Attached is a chart showing the status of various critical processes required by each covered entity to meet HIPAA Security Rules Compliance. This chart will be updated for each monthly report to show progress and to make the covered entities more aware of areas that need special attention.

If you have questions or require additional information, please contact me at (213) 974-2008.

JWF:DH:ygd

Attachments(2)

c: Department Heads
Chair, Information Systems Commission

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DHS Hospitals and Associated Clinics	Health Care Claim (837) Outbound	Outsource to Clearinghouse (Accordis)		Inpatient - Yes Outpatient - No	Inpatient - Yes Outpatient - No	Accordis (DHS Clearinghouse) is submitting Medicare inpatient and outpatient 837 claims using approved HIPAA compliant Transaction Code Sets (TCS) information reflective of all-inclusive rate revenue codes. Accordis is submitting HIPAA-compliant Medicare non-hospital 837 claims to the Fiscal Intermediary (N-HIC).
						Accordis is submitting HIPAA-compliant inpatient Medi-Cal claims with "from" service dates beginning February 1, 2004, through the Medi-Cal Fiscal Intermediary (EDS). The State indicated that they will not be prepared to accept HIPAA compliant outpatient claims during this calendar year.
	Health Care Claim (837i) Outbound	Outsource to Clearinghouse (Accordis)				DHS data continues to be deficient in meeting LA Care's encounter data processing requirements. Accordis submitted a test file to OMC on September 13, 2004 that contained August 2004 dates of service. OMC reviewed the file and requested that Accordis make some changes to it. The changes were made and beginning October 1, 2004, Accordis began submitting weekly transaction file information to OMC. Since DHS will not have all required data available to complete the 837 transaction, the transaction file submitted by Accordis will not be complete. DHS hospitals will be implementing the second phase of this project to increase the data captured and submitted to OMC via the 837 encounter transaction. The transmission of additional encounter data to OMC is set for the first calendar quarter of 2005.
	Remittance Advice (835)	Outsource to Clearinghouse (Accordis)				The contracted vendor is expected to complete the programming work for extracting data for two facilities to accept and process the remittance advice information by the end of the month. The vendor must still work on translating the data into a flat file so that the Department can process the data.
						Medi-Cal is generating both the non-HIPAA and HIPAA compliant remittance advice documents (RAs). In order for a provider to receive the HIPAA compliant RAs, they must submit new provider enrollment forms. DHS has submitted the necessary provider enrollment forms in order to obtain the HIPAA compliant RAs. The State has processed and approved 69 enrollment forms and they are still processing the eight (8) enrollment forms that were resubmitted. Until the State terminates the non-HIPAA RAs, DHS plans to process both the non-HIPAA and HIPAA RAs since the non-HIPAA RAs contain additional information that does not reside on the HIPAA RAs.
	Eligibility Inquiry & Response (270/271)	QuadrantMed Affinity/Provider Advantage 270/271				The State continues to operate the non-HIPAA compliant Online Eligibility System (OES) for obtaining Medi-Cal eligibility information. The State has not officially announced when they will terminate the use of the OES; therefore, the County will continue to utilize this system for obtaining Medi-Cal eligibility information. Since the State has updated their Point-of-Service (POS) system to meet HIPAA requirements, the County will continue to utilize this system for obtaining Medi-Cal eligibility information. For business purposes, DHS continues its efforts to install the necessary software to process HIPAA compliant 270/271 transactions. The software was successfully installed at three facilities and the remaining facilities are expected to go live on the software by November 1, 2004.
						The State has announced that they will begin accepting HIPAA compliant 270/271 transactions as of November 20, 2004. The State did not announce when they will stop processing non-HIPAA compliant 270/271 transactions.

Los Angeles County
Summary HIPAA Transactions and Code Sets Status

Attachment A

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DHS Public Health Clinics	Health Care Claim (837) Outbound	Outsource to Clearinghouse (Accordis)				The administrative code sets have been implemented as scheduled on 10/16/03. Claims with service dates 09/22/03 and greater have been submitted to the State and have been adjudicated.
	Remittance Advice (835)	Paper				With regards to the implementation of national code sets, the State has not provided instructions on how to convert the local revenue codes to national codes. Therefore, until the information is received from the State, the clearinghouse vendor, Accordis, is unable to comply with HIPAA TCS regulations. Testing for format has been completed with the State and Accordis has received notification that it passed all format testing.
DHS Alcohol and Drug Programs Administration	Health Care Claim (837) Outbound	Custom coded front-end upgrade to capture the HIPAA data elements. Accordis, a clearinghouse, will process the actual transaction.				DHS Alcohol and Drug Programs Administration (ADPA) is submitting HIPAA-compliant 837 claims transactions to the State Department of Alcohol and Drug Programs (SADP) through its clearinghouse vendor, Accordis.
	Health Care Claim (837) Inbound	Paper				No change to existing process.
	Remittance Advice Outbound (835)	Paper				No change to existing process.
	Remittance Advice Inbound (835)	Paper				No change to existing process for the time being. The State has not provided a date by which they will implement a HIPAA compliant remittance advice (835) transaction.

Summary HIPAA Transactions and Code Sets Status

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DHS Office of Managed Care (OMC)	Health Care Claim (837) Inbound	Vendor (HMS) modifying PMS to accept HIPAA compliant claim transactions from out-of-plan providers.				The X.12 837 transaction is certified by Claredi, however no trading partners have contacted CHP to conduct HIPAA-compliant transactions. OMC will continue processing this transaction in pre-HIPAA format consistent with the contingency plan, or on paper, until trading partner testing is complete. DHS has completed setting up a virtual private network with Claimsnet and OMC is now performing system testing with Claimsnet. OMC is currently coordinating an outreach effort to identify potential trading partners with out-of-network hospitals and physicians with whom to begin testing. No negative impact to OMC business processes or revenue flow has occurred. Status changed from "Not complete" to "Not complete for reasons beyond the control of County" because CHP is technically ready to receive a 837 I&P should one be sent.
	Health Care Encounter (837) Inbound	Interface engine software being installed to feed the OMC Data Warehouse. Using clearinghouse (DDD) to translate incoming proprietary format from non-County providers to HIPAA-compliant 837 format.				OMC is accepting HIPAA-compliant 837P transactions from non-County providers via a clearinghouse (DDD) and they are testing the 837I. OMC is evaluating the transactions from DHS hospitals transmitted through Accordis. However, the DHS data sets are not completely HIPAA-compliant per the 837I specifications. Please refer to the "Health Care Claim (837I) Outbound" status in the above "DHS Hospitals and Associated Clinics" section. OMC has modified its legacy system to process the transactions between DHS hospitals and OMC until the production server and the new interface engine is installed and completely tested. For some time, OMC has been awaiting delivery of its production server on which to install the interface engine software. The interface engine will allow receipt of HIPAA-compliant 837I encounter records from DHS hospitals and will replace the interim solution now being tested.
	Health Care Encounter (837) Outbound	Data extracted from Data Warehouse will feed translator software to produce HIPAA compliant transactions.				OMC is awaiting delivery of a server, the same one mentioned above under Encounter (837I) Inbound, to its data center on which to install interface engine software to allow sending HIPAA-compliant 837 encounter records that originated in DHS hospitals to LA Care. Completion is expected in the fall/winter of 2004. LA Care has stated that they will continue to support the pre-HIPAA format for a minimum of six (6) months for DHS Facility encounters. CHP is fully compliant on the submission of non-County provider transactions via a clearinghouse (DDD). No negative impact on business processes or revenue flow is anticipated.
	Remittance Advice (835) Outbound	Vendor (HMS) modified PMS to produce HIPAA compliant transactions.				The X.12 835 transaction is certified by Claredi, but it has not yet been tested with trading partners and no trading partner has requested remittance advice information in electronic format. OMC is currently providing 835 equivalent information on paper to its trading partners. HIPAA compliance is a non-issue until a switch is made to an electronic transaction. No negative impact on business processes or revenue flow has occurred.
	Health Care Enrollment and Disenrollment (834)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions.				OMC successfully tested the 834 transaction with Universal Care. Testing continues with other trading partners. OMC is able to process a compliant X.12 834 transaction as of the October 16, 2003 deadline. State DHS did not meet the October compliance deadline for this transaction except for the Healthy Families Program, which stated they are in "material compliance." DHS currently provides its eligibility roster electronically to certain plan providers, including DHS facilities. OMC is actively testing data received from Healthy Families' new data vendor, Maximus, as well as LA Care, for Medi-Cal. LA Care recently modified their 834 Companion Guide requiring evaluation of the technical specifications and re-programming of OMC's legacy system.

Los Angeles County
Summary HIPAA Transactions and Code Sets Status

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
	Premium Payment Order/ Remittance Advice (820)	Vendor (HMS) modifying PMS to accept and translate HIPAA transactions.				The State Healthy Families Program (HFP) is not expected to be ready to test the X.12 820 transaction with trading partners until the spring of 2005. HFP stated that the 820 electronic file they currently distribute is "materially compliant." The necessity for OMC to receive an X.12 820 transaction is settled and the need to generate an outbound 820 is still being investigated. OMC has completed custom programming modifications to its Patient Management System (PMS) that will allow it to receive and process the inbound 820 transaction, but has reached a point where they can make little progress without more information from the State. OMC will convert the 820 transaction file received from HFP to a flat file that will be sent to OMC Finance, thus mitigating any negative impact on OMC Finance or County Treasurer and Tax Collector (TTC) operations. In the interim, DHS will continue to process transactions in pre-HIPAA format. No negative impact on business processes or revenue flow is anticipated.
	Eligibility Inquiry & Response (270/271)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions.				HMS completed testing with Claredi on 8/14/03. Trading partners have been contacted, but to date no providers have expressed an interest in using these transactions; hence there has been no testing with trading partners. No negative impact on business processes or revenue flow has occurred.
	Claim Status Summary (276/277)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions.				HMS completed testing with Claredi on 9/17/03. Trading partners have been contacted, but to date no providers have expressed an interest in using these transactions; hence there has been no testing with trading partners. No negative impact on business processes or revenue flow has occurred.
	Health Care Service Review (278)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions.				HMS completed testing with Claredi on 9/19/03. Trading partners have been contacted, but to date no providers have expressed an interest in using these transactions; hence there has been no testing with trading partners. No negative impact on business processes or revenue flow has occurred.
	NCPDP	Pharmacy Benefit Management Contractor				Contractor (PCN) is responsible for HIPAA Compliance of NCPDP transactions.
DHS California Children's Services	Health Care Claim (837) Outbound	In-house development of 837 transaction output				Completed. Process is now routine.
	Health Care Claim (837) Inbound	Paper				No change to existing process.
	Remittance Advice (835)	Vendor (EDS) supplied via website				Completed. Process is now routine.
	NCPDP	Paper				No change to existing process.

Los Angeles County
Summary HIPAA Transactions and Code Sets Status

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DMH Department of Mental Health	Health Care Claim (837)	Integrated System - Wrapper of MHMIS and FFS (EDS)				The HIPAA-compliant X.12 837 transaction produced by the Integrated System (IS) has been certified by NHIQ, the fiscal intermediary for Medicare claims submissions. Production use of this transaction began October 13, 2004. February and March HIPAA-compliant 837 transactions for outpatient activity were sent to State Medi-Cal and 835 remittance advice files have been received back from the State. April, May and June HIPAA-compliant claims files were sent to the State before the end of September 2004. The number of Fee-for-Service Providers conducting HIPAA-compliant transactions via the Integrated System is slowly increasing and the rest are submitting non-compliant information directly into the County implementation of the EDS system operated by ISD. Submitting claim transactions to the ISD operated EDS system is an option that will be shut down, most likely in the second quarter of FY 2004-05, as the FFS providers move to HIPAA-compliant claims processing in the IS.
	Health Care Enrollment and Disenrollment (834)	Integrated System - Wrapper of MHMIS and FFS (EDS)				DMH began using the Integrated System (IS) to exchange the X.12 834 HIPAA transaction with Fee-for-Service Network Providers on November 24, 2003. DMH began using the Integrated System (IS) to exchange the X.12 834 HIPAA transaction with Short-Doyle providers on February 9, 2004. State and Federal compliance status is not relevant to or a constraint on this transaction.
	Remittance Advice (835) Inbound	Integrated System - Wrapper of MHMIS and FFS (EDS)				DMH has received production 835 Remittance Advice files from the State for February and March 2004 outpatient claims from the IS. The rate of denied claims was lower in the March file than it was in February, but still not quite up to pre-HIPAA averages. Like DHS, DMH will continue to process both the HIPAA-compliant remittance advice (835) and the non-compliant remittance advice so long as the State produces both because of the additional information on the non-compliant document. The State has embarked on an effort to make their 835 file fully HIPAA compliant.
	Remittance Advice (835) Outbound	Integrated System - Wrapper of MHMIS and FFS (EDS)				DMH pays for some services directly to the provider and for those services on the IS, they are currently producing HIPAA compliant X.12 835 remittance advice transactions. While this transaction is in production use, its status is "yellow" because of the limited number of trading partners involved at this time.
	Eligibility Inquiry & Response (270/271)	Integrated System - Wrapper of MHMIS and FFS (EDS)				The Integrated System has been processing HIPAA compliant X12 270 and 271 transactions with Fee-for-Service Network Providers since November 24, 2003, and began processing them for Short-Doyle providers on February 9, 2004. Medi-Cal is targeting late 2004 for beginning production use of HIPAA compliant eligibility transactions. IS has been modified to process compliant 270/271 for local trading partners and non-compliant format State transactions. DMH will continue to process transactions in pre-HIPAA format with the State until the State is ready with a compliant 270/271 transaction. Medicare also cannot process HIPAA compliant X12N 270/271 eligibility transactions and has not announced a date when they expect to become compliant. No negative impact on business processes or revenue flow is anticipated.
DMH Department of Mental Health	Authorization (278)	Integrated System - Wrapper of MHMIS and FFS (EDS)				The Integrated System began processing X.12 278 transactions with Fee-for-Service network providers on November 24, 2003, and with Short-Doyle providers effective February 9, 2004. State Medi-Cal will not support compliant authorization transactions this year. DMH will continue to process transactions in pre-HIPAA format with the State in the meantime. No negative impact on business processes or revenue flow is anticipated. While this transaction is in production use, its status is "yellow" because of the limited number of trading partners involved at this time.

Los Angeles County
Summary HIPAA Transactions and Code Sets Status

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
	Health Care Claim Status Summary (276/277)	Integrated System - Administrative Transactions				DMH is presently offering the 276 and 277 X.12 transactions to Fee-for-Service network providers who are using the Integrated System. The HIPAA compliant X.12 276/277 transaction for contract and directly-operated Short-Doyle providers became available for production use on February 9, 2004, but it is not a transaction currently used by this group of providers. It will likely become more important to them as they process HIPAA-compliant claims transactions. State Medi-Cal will not support compliant status reporting transactions this year. The complexity of managing compliant local data without corresponding State transactions will introduce minimal risk.
	NCPDP	Integrated System - Wrapper of MHMIS				The HIPAA-compliant NCPDP transaction became available for production use on February 9, 2004. No pharmacy providers are testing or using IS pharmacy functionality in production. Changes to the Pharmacy IS Deployment Plan and possibly IS pharmacy functionality are being considered in an effort to provide a solution that improves work flow for pharmacy contract providers.

LEGEND:

Step complete

Not complete for reasons beyond the control of County

Not complete

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY (HIPAA)

Security Rule (Compliance Date April 20, 2005)						
	Department of Health Services	Department of Mental Health	Probation – Kirby Center	Sheriff - Pharmacy	Total County	
Security Training	Total to be Trained: 22,500 Trained to Date: 99 Planned for next period: ?	Total to be Trained: 3,200 Trained to Date: 0 Planned for next period: ?	Total to be Trained: 105 Trained to Date: 0 Planned for next period: ?	Total to be Trained: 50 Trained to Date: 0 Planned for next period: ?	Total to be Trained: 25,855 Trained to Date: 100 Planned for next period: ?	
Comments	1. The statistics referenced above indicate each department's status in completing required HIPAA Security Training. 2. The Chief Information Security Officer (CISO) is coordinating the training efforts for the County between the various departmental Privacy Officers. Each department is required to manage and track their workforce's progress towards completing the assigned training. This includes ensuring that all personnel and volunteers are assigned to take the proper training curriculum.					
Publication of Privacy Policies, Procedures and Forms	Documents Required: 80 Documents Finalized: 3	Documents Required: 80 Documents Finalized: 47	Documents Required: 27 Documents Finalized: 26	Documents Required: 20 Documents Finalized: 3	Documents Required: 207 Documents Finalized: 79	
Comments	1. The department security officers are developing HIPAA Security Policies and Procedures to comply with HIPAA security rules. These policies and procedures must be adopted and distributed within the affected departments no later than April 20, 2005.					
Business Associate Amendments	Amendments Required: 140* Amendments Executed: 0 Target Completion: March 31, 2005	Amendments Required: 250* Amendments Executed: 0 Target Completion: March 31, 2005	Amendments Required: 100* Amendments Executed: 0 Target Completion: March 31, 2005	Amendments Required: 3* Amendments Executed: 0 Target Completion: March 31, 2005	Amendments Required: 493 Amendments Executed: 0 Target Completion: March 31, 2005	
Comments	The Board delegated authority to Department Heads to execute amendments to existing agreements with business associates. Future reports will document the departments' progress in completing this task.					
Interdepartmental MOUs	No. of MOUs Required: 5 No. of MOUs Executed: 0 Target Completion: March 31, 2005	No. of MOUs Required: 5 No. of MOUs Executed: 0 Target Completion: March 31, 2005	No. of MOUs Required: 5 No. of MOUs Executed: 0 Target Completion: March 31, 2005	No. of MOUs Required: 5 No. of MOUs Executed: 0 Target Completion: March 31, 2005	No. of MOUs Required: 20 No. of MOUs Executed: 0 Target Completion: March 31, 2005	
Comments	The Board approved the use of interdepartmental MOUs to support the continued exchange of protected health information (PHI) between the three HIPAA covered components and the five County departments (CAO, Counsel, Auditor, Treasurer and ISD) identified as providing services that require access to PHI. Modifications must be made to the existing MOUs to support security requirements for EPHI					